

MARKET ANALYSIS - July 18, 2002

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Market movements in all commodities this week were virtually controlled solely by the weather, after the reactions to last week’s USDA report had been accounted for. The report was mixed - generally negative for corn (due to higher supply side numbers), positive for beans (solid export and domestic usage numbers), and highly positive for wheat (with a massively reduced production estimate – the lowest since the mid 70’s). However, in the corn market we saw further crop reductions, and forecasts for warmer and dryer weather early in the week added support. Fund buying also helped push the market a little higher prompted by the weather worries. The bulk of the corn crop will be in pollination this week so rain is vital, and as such traders will be focusing on the thermometers and radar screens extremely closely. Weekly export sales came in at the end of the week at 718 thousand tons of old crop and just 158 thousand tons of new – a little disappointing, but not too bearish. From a marketing standpoint, using put options and rolling them up as prices rise is a solid strategy, especially as the weather markets seem to be helping on the upside. However, the current \$2.50 December corn price might not be sustainable unless the August USDA report confirms a yield of less than 132 bushels per acre nationally. Local basis is currently very strong and some forward marketing might be advisable. Expect weather to also have the greatest influence on bean prices this week, as beans reach their peak moisture needs in about 2 weeks time, so hot weather will mean even higher prices. NOPA released crush numbers this week, coming in a little higher than expected (130.6 million bushels), which gave support to the nearby contract. With an impressive weekly sales report coming in at 208 thousand tons (expectations were 125 –200), we saw a boost in prices. All in all, we have had a terrific month (price wise) with the November contract rallying 60 cents! A similar strategy to corn might be advised for beans.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Sep02)	NEW (Dec02)	CASH (Sep02)	NEW(Nov02)	CASH(Mar02)	NEW(Jul03)
Baltimore	n/a	n/a	+\$.01	-\$.34	n/a	n/a
Western MD	+\$.46	n/a	-\$.34	n/a	-\$.20	n/a
Central MD	+\$.43	+\$.10	-\$.34	-\$.33	+\$.03	-\$.24
Southern MD	+\$.16	+\$.05	-\$.10	-\$.28	-\$.06	n/a
Upper E. Sh	+\$.22	Even	-\$.01	-\$.31	-\$.12	-\$.24
Lower E. Sh	+\$.43	+\$.20	+\$.10	+\$.20	-\$.05	-\$.23

WEEEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

Snap beans are 51 percent harvested, 22 percent ahead of normal, while **cantaloupes**, **cucumbers**, **sweet corn**, and **tomatoes** are running slightly behind schedule. **Potatoes** are 27 percent harvested, 18 percent behind the average for this time of year. **Corn** and **Soybean** conditions continue to deteriorate due to the lack of moisture. **Winter wheat** is 94 percent harvested, 13 percent ahead of last year, and 7 percent ahead of the five year average. **Barley** harvest is virtually complete. **Topsoil moisture** is currently rated 23 percent adequate, 48 percent short, and 29 percent very short. **Subsoil moisture** is rated 12 percent adequate, 44 percent short, and 44 percent very short.

CASH GRAINS - REGIONAL - (\$/BU) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y. Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	Date	07/10	07/17	07/10	07/17	07/10	07/17	07/10
Baltimore	----	----	5.56	5.79	----	----	----	----
Western Md	2.57	2.60	5.36	5.44	2.69	2.95	1.40	1.40
Central MD	2.52	2.57	5.30	5.34	3.00	3.18	1.44	1.48
Southern MD	2.27	2.30	5.42	5.68	2.99	3.09	1.15	1.15
Upper E. Sh	2.37	2.36	5.51	5.77	2.96	3.03	1.28	1.25
Lower E. Sh	2.54	2.57	5.62	5.88	3.01	3.10	1.27	1.28

Soybean Meal		Lower Eastern Shore		Dealer’s Average Cash Quotes (\$/ton)		
Date	07/10	07/17	Date	07/10	07/17	
48% Soybean Meal	220.00	222.00	44% Soybean Meal	208.00	210.00	

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer’s Avg Quotes

Grade and Commodity	#2 Y. Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	Date	07/10	07/17	07/10	07/17	07/10	07/17	07/10
Baltimore	----	----	----	5.00	----	----	----	----
Western Md	----	----	----	----	----	----	----	1.50
Central MD	2.39	2.42	4.85	5.01	3.10	3.07	----	----
Southern MD	2.34	2.37	4.90	5.06	----	----	----	1.15
Upper E Shore	2.37	2.32	4.93	5.03	2.96	3.07	----	1.25
Lower E Shore	2.49	2.52	4.98	5.14	2.13	3.08	1.25	1.35

GRAIN FUTURES- Chicago Board of Trade (cents/bu) Settle - July 17, 2002

Corn		Soybeans		Wheat		Soybean Meal ¹	
Sept	231.50	Aug	576.75	Sept	335.00	Aug	186.70
Dec	241.50	Sept	549.25	Dec	344.25	Sept	178.90
Mr-3	247.75	Nov	530.50	Mr03	348.50	Oct	171.60
May	251.00	Ja03	530.00	May	341.00	Dec	169.80
Jul	253.25	Mar	528.00	Jul	331.50	Ja03	167.60
Sept	246.50	May	527.00			May	168.50
Dec	242.25	Jul	525.50			May	164.90
Mr04	249.50	Nov	501.00			July	164.50

¹ \$/ton

HAY AND STRAW (\$/cwt)							
New Holland, PA - July 15, 2002 - \$/ton - 91 Loads							
Alfalfa		Timothy		Mixed		Straw	
75.00-155.00		67.00-180.00		60.00-210.00		60.00-100.00 162.00	
Ear Corn		80.00-99.00					
Westminster, MD - \$/bale - July 16, 2002 -83 lots							
Alfalfa		Timothy		Mixed		Straw	
.75- 3.00		1.15-3.20		1.20-2.60		1.00- 1.80	
Grass		1.40-1.60					
Oats Feed		3.00-4.00/bg					
POULTRY (Grade A) - Week Ending July 20, 2002 Negotiated Price, cents/lbs							
		Current Week		Week Ago		Month Ago	
NY Wtd Avg. (Fryers)		51.17		51.00		56.63	
12-City Composite		57.56		57.29		58.66	
Year Ago		55.98					
		60.48					
LAMBS - Westminster, MD - \$/cwt - July 16, 2002							
Hi-Ch-Pr		80-115 lbs		76.00- 82.00		Med-Good	
80-100 lbs		60.00- 73.00		Sheep		15.00-29.00	
Good Ch		40- 80 lbs		70.00- 80.00			
TERMINAL MARKET HOGS-July 17, 2002				DIRECT MARKET HOGS - Westminster, MD - \$/cwt-July 16, 2002			
Base Price Range (\$/cwt)		Carcass Basis		Sows (1-3)			
a.m.		Base 185 lb Hog		300-449 lbs			
		1&2		225-270 lbs		34.25-35.25	
Eastern Cornbelt		47.00-58.23		17.97-24.00		1&3	
Iowa, Minn		51.94-58.91		15.65-24.65		275-300 lbs	
						31.00-33.25	
						Millsboro, DE Market Hogs - \$/cwt - July 16, 2002 - \$35.00	
FEEDER PIGS - (\$/cwt)							
Gumboro, DE - July 15, 2002				New Holland, PA - July 17, 2002			
Head: 327				Head: 264			
Trend: None				Trend: \$10 higher			
Under 30 lbs		30.00-50.00		50-59 lbs		45.00-58.00	
30-39 lbs		30.00-58.00		60-69 lbs		35.00-55.00	
40-49 lbs		25.00-60.00		80-89 lbs		37.00-45.00	
LIVE CATTLE FUTURES - CHICAGO MERCANTILE EXCHANGE- (\$ cwt.) - July 17, 2002				HOG FUTURES - CHICAGO MERCANTILE EXCHANGE - (\$ cwt.) - July 17, 2002			
Aug		65.72		Fb03		69.80	
Oct		67.87		Apr		70.32	
Dec		68.75					
STOCKER-FEEDER CATTLE (\$/cwt)							
Winchester, VA - July 15, 2002				Westminster, MD - July 16, 2002			
Steers		300-400 lbs		84.25-87.00		Steers	
		400-500 lbs		76.00-86.00		300-500 lbs	
		500-600 lbs		76.25-80.50		500-700 lbs	
		600-700 lbs		76.50-77.50			
		700-800 lbs		67.00-69.75		Heifers	
Heifers		300-400 lbs		79.50-87.00		250-500 lbs	
		400-500 lbs		80.50-83.00		500-700 lbs	
		500-600 lbs		70.50-78.50			
		600-700 lbs		70.00-72.50		Bulls returning to Farm	
		700-800 lbs		60.00-65.00		Hols Bulls #1	
						94-115 lbs	
						84- 92 lbs	
						94-120 lbs	
						#2	
						94-120 lbs	
						80- 92 lbs	
						45.00- 65.00	
						Hols Heifers #1	
						90-115 lbs	
						#2	
						75-105 lbs	
						200.00-330.00	
Lancaster, New Holland & Vintage - Week Ending - July 20, 2002							
Bull, Holstein		90-120 lbs		100.00-147.00		Plainer	
Heifers, Hols.		90-110 lbs		450.00-650.00		Plainer	
						95-120 lbs	
						70.00-126.00	
						90-105 lbs	
						190.00-450.00	
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - July 17, 2002							
Fed Steers				Fed Heifers			
Hi- Ch -Pr		1100-1450		64.00- 66.50		Hi-Ch-Pr	
Ch 2&3				62.50- 65.00		1100-1400 lbs	
L-Ch				60.00- 63.50		1000-1100 lbs	
						59.00- 61.25	
Cows				Veal Calves			
Breakers				37.00-43.50		Good	
Boners				37.00-42.00		80- 110 lbs	
Lean				33.00-37.00		35.00- 50.00	
Thin				33.00-DOWN			
Lancaster, New Holland & Vintage - Week Ending - July 20, 2002							
Steers, Choice 2-3		1145-1480 lbs		65.00-67.75		\$3-\$4 higher	
Heifers, Choice 2-3		1055-1405 lbs		63.25-66.75		\$3-\$4 higher	
Cows, Breakers 75-80 pct lean				41.00-47.25		Steady to \$2 higher	
Vealer, Standard & Good		89- 110 lbs		25.00-50.00		Steady to \$4 higher	

For more information about this report, call 410-841-5740 or write:

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